

IN THE MATTER OF)
THE IMPASSE DISPUTE)

between)

MARTENSDALE - ST. MARYS)
COMMUNITY SCHOOL DISTRICT)

and)

MARTENSDALE - ST. MARYS)
EDUCATION ASSOCIATION)

ARBITRATION AWARD

APPEARANCES

For the Martensdale - St. Marys
Community School District:

Drew Bracken, District Counsel
Jean Peterson, District Superintendent
Jane Cassady, District Business Manager
Velvet Van Hoose, School Board President

For The Martensdale - St. Marys
Education Association:

Jim Crotty, UniServ Director
Joe Franey, Association Member
Jed Alexander, Association Member

In accordance with the provisions of Chapter 20 of the Iowa Code, this Arbitrator was selected by the parties and appointed by the Iowa Public Employment Relations Board to hear and decide the issue which was at impasse.

Pursuant to the agreement of the parties, an arbitration hearing was held on April 29, 2008 at 5:30 p.m. at the District High School Building, Martensdale, Iowa. The hearing was electronically recorded. The parties stipulated that there was no dispute as to the arbitrability or negotiability of the item presented to the Arbitrator. No subpoenas had been requested and no stenographic recording had been requested. It was agreed that the Association would proceed with its presentation first.

In the course of the hearing, both parties submitted their evidence and were given full opportunity to present argument and rebuttal. The hearing was closed at 7:20 p.m. The award set forth below is based upon the Arbitrator's weighing of all of the facts and arguments submitted, even those which are not specifically referred to herein.

EXHIBITS

Joint Exhibit 1

Association Exhibits A1-8, B1-3, C1-11, and D1-10

District Exhibits 1 through 5

ISSUES AT IMPASSE

The following issue was presented to the Arbitrator:

Schedule A Employee Salary Schedule: The Association seeks an increase of \$936.00 to the base (to \$26,356.00). The District offers an increase of \$735.00 to the base (to \$26,155.00)

BACKGROUND

Martensdale-St. Marys Community School District has a student enrollment of approximately 519 students. It has an enrollment rank of 231 among Iowa's 364 school districts. The District maintains one instructional location consisting of various segments within the K-12 student population. The District employs a full-time Superintendent along with two building principals.

The District encompasses the cities of Martensdale and St. Marys, Iowa, and covers 75 square miles mainly in Warren County. The District is generally southwest of the Des Moines Metropolitan Area, approximately 10 miles south of the Des Moines airport.

Under the legislative formula for increases in regular program budget, Martensdale-St. Marys will receive a 3.52% increase for the upcoming year.

The Association's initial proposal was presented on January 16, 2008. This was followed by four negotiating sessions and mediation which resolved all issues except wages.

DISCUSSION

By statutory mandate, the Arbitrator must choose between the Association's final offer and the District's final offer on each issue at impasse. The Iowa Code further provides that the Arbitrator must select, without alteration, the most reasonable of the positions on each of the items at impasse and consider the statutory criteria in arriving at the decision as to which is the most reasonable. The statutory criteria specified in the Iowa Code Section 20.22(9) include:

- a.) Past collective bargaining contracts and bargaining history;
- b.) Comparison of wages, hours and conditions of employment of other teachers including consideration of factors peculiar to the area and classifications;
- c.) The interests and welfare of the public, the ability of the employer to finance the costs involved and the effect of such costs on the normal standard of services;
- d.) The power of the public employer to levy taxes and appropriate funds for it's operations;
- e.) Any other relevant factors.

ASSOCIATION'S POSITION

The Association suggests a comparability group consisting of Martensdale-St. Marys and eight nearby school districts of similar size in the nine counties surrounding the City of Des Moines. The comparability group used by the Association is: Pleasantville, Madrid, Van Meter, Southeast Warren, Colo-Nesco, Lynnville-Sully, Twin Cedars, Baxter. Martensdale-St. Marys ranks fifth in enrollment (Association Exhibit C-4). These districts have enrollments of between 684 and 397.

The Association asserts that this comparability group is appropriate because the districts have similar enrollments, are in close proximity geographically and must compete with Des Moines and Des Moines suburban districts for staff.

Other factors arguing in favor of this comparability group are the fact that they are all in AEA 11 and all have high graduation rates. All are in the Des Moines Register Golden Circle Publication area. In addition they all have similar sized instructional staff and administrative staff and all have a pupil-teacher ratio in the range of 11 to 14 (Association Exhibit C-6). The Association argues that a comparison of salary benchmarks shows that the Martensdale-St. Marys teachers lose ground in the comparability group as the benchmarks increase (Association Exhibit C-8).

The Association also points to the fact that District teachers have lost ground in average K-12 teacher salary rankings since 2002 (Association Exhibit C-8a).

Comparing the average salary in the District with the average salary in the Des Moines suburban districts in the benchmark categories indicates that Martensdale-St. Marys is well below the averages of the suburban districts. The Association believes this will create recruiting and retention difficulties because of the proximity of Des Moines and the easy access via the Interstate system (Association Exhibit C-10).

The Association also believes that it is appropriate to consider state-wide settlements and relate those settlement averages to regular program growth (new money) increases. (Association Exhibit C-10). The Association argues that even using lower "new money" figures than Martensdale-St. Marys will receive, this analysis shows average settlements more closely approximating the Association's proposal than the District's final offer. The Association's comparability group in settlements to date shows an average "new money" for settlements to date of 4.92% and an average settlement package of 5.19% (Association Exhibit C-11).

The Association argues that the District has the ability to pay the cost of the Association's proposal principally through turnover savings and new money. In addition, some of the costs will be covered by increases in special education funding. The Association believes that the District also has a healthy ending fund balance of \$378,748. The District also has an unspent balance of \$519,972.

The Association's costing analysis for its proposal shows a dollar cost increase of \$98,437 before any correction for turnover savings. The Association costs the District proposal at \$88,355. (Association Exhibit A-3). The Association believes that turnover savings can cover \$42,875 of this cost leaving approximately \$56,000 to be funded in another manner (Association Exhibit A-6). The Association believes that there are other funds available (such as "new money") which can be allocated to pay this \$56,000. Both parties agree that the Association's offer will have no impact on tax rates.

The Association also believes that the history of bargaining between the parties supports its assertion that the Association's proposal is the most reasonable of the two final offers. Over the past six years, the average settlement increase has been essentially equal to the District's current final offer with an average RPI increase of 2.52%. With the 3.52% increase for the current year the wage settlement should be higher than the previous 6 year average (Association Exhibit B-2).

DISTRICT'S POSITION

The District argues that Martensdale-St. Marys is not a "big city" district and is not a suburban district of the City of Des Moines. The District has had no difficulty competing to secure excellent instructional staff and retain them. A major goal of the District is to be fiscally responsible and oriented to high quality instruction.

The District estimates the cost of its final offer to be \$88,355, the same figure used by the Association. The final offer of the District is for a base increase of \$735.

The District believes that there is no significant historical correlation demonstrated between new money and settlements for the Association.

The District offers to the Arbitrator comparability information for the 12 school districts in the Pride of Iowa Athletic Conference. These districts have enrollments ranging from

approximately 347 to 916. Martensdale-St. Marys ranks eighth in enrollment and sixth in base teacher salary. It generally drops slightly in level of ranking going up the lanes of the salary schedule until the highest MA step where it drops significantly in rank (District Exhibit 5, pp 18-22).

The second comparability group suggested by the District is the group derived from the ten districts with enrollments immediately higher than Martensdale-St. Marys and the ten districts immediately below Martensdale-St. Marys in enrollment (10 up/10 down). In this group, Martensdale-St. Marys currently ranks 12th of 21 in terms of base teacher salary, which is lower than its 11th of 21 in enrollment and drops slightly in rank in the upper levels of the salary schedule (District Exhibit 5, page 26). The District also asserts that in both groups the lower ranking is offset by a higher ranking in insurance benefits.

The third comparability group offered by the District consists of those districts within a 60 mile radius of Des Moines having comparable enrollments. Martensdale-St. Marys ranks 6th of 13 in this group and again drops in rank in the upper levels of the salary schedule.

The District acknowledges that it has the ability to pay the proposals offered by both parties but is worried about the effect on services that the adoption of the Association's proposal would have.

The District contends that the Association's comments regarding competition for teachers are an interesting theory but there is no evidence to support the position.

The District acknowledges that it is not taxing to the maximum extent possible and argues that the new money authorization will not be sufficient to fully fund the final offer of the Association and pay for other expected cost increases. The District is worried about the uncertainties related to expectations of substantial transportation cost increases.

FINDINGS OF FACT

WAGES

1. Past Collective Bargaining and Contracts. In recent years settlements have been in the range of 3-4% in years with little or no RPI and 6% in higher RPI years. This year appears to be toward the higher end which supports the Associations offer.

Insufficient historical data was provided from which the Arbitrator could determine whether Martensdale-St. Marys rank among the various comparability groups was historically consistent but it appears that neither the District's proposal or the Association's proposal will significantly change the current ranking in any of the comparison groups in terms of average salaries.

2. Comparability. Whether the Arbitrator examines the Association's comparability group or the groups offered by the District, Martensdale-St. Marys teachers generally rank in the middle to the lower end of the salary scale among all the comparison groups. Because the parties final offers are less than .5% apart, adoption of either proposal will not significantly change the ranking of Martensdale-St. Marys in any of the comparability groups.

In terms of other comparisons, statewide settlements cited by the Association show an average of 4.8% settlement increase. Correlating the statewide settlements with regular program increase authorizations suggest an increase more in line with the Association's proposal than with the Districts proposal. Settlements in the Association's comparability group and "nearby" area competition exceed the District's offer. Even using settlements in reporting districts with RPI's less than 3.52%, the average settlement increase is 4.53% on .83% new money average. Among districts statewide within .5% (up and down) of 3.52% RPI (14 districts) the average settlement is 4.82%. This supports the Association's proposal.

3. Ability to Pay. The District has acknowledged that it is not alleging an inability to pay the Association's wage proposal. The District has asserted that adoption of the Association's proposal could have an effect on the services it is able to provide. However, little specific evidence of services effects was provided to the Arbitrator. The fact that there is a difference of \$10,000 between the cost of the two proposals argues against the significance of the District's position on this aspect of the statutory criteria. The evidence shows that this amount of money or an even greater amount of money could be found by the District through turnover savings and special education funds as well as other available methods with no effect on service.

4. Ability to Tax. Neither party has made any allegation regarding the District's inability to levy taxes sufficient to fund its programs.

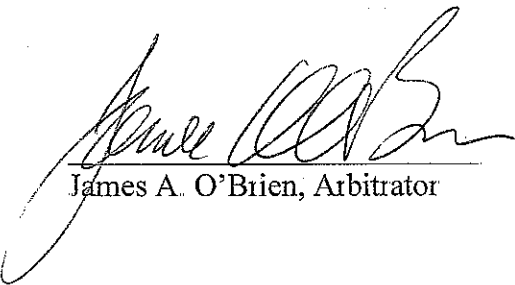
5. Other Relevant Factors. None.

CONCLUSIONS OF LAW

In accordance with the statutory criteria imposed upon the Arbitrator, the Arbitrator determines as follows:

The Association's offer of a base salary increase of \$936.00 to \$26,356.00 is the most reasonable and is adopted.

Dated this 7th day of May, 2008


James A. O'Brien, Arbitrator

CERTIFICATE OF SERVICE

I certify that on the 7th day of May, 2008, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Drew Bracken
100 Court Avenue
Suite 600
Des Moines, IA 50309-2231

Jim Crotty
777 Third Street
Suite 110
Des Moines, IA 50309-1310

I further certify that on the 7th day of May, 2008, I will submit this Award for filing by mailing it to the Iowa Public Employment Relations Board, 510 East 12th Street, Suite 1B, Des Moines, Iowa 50319-0203.


James A. O'Brien, Arbitrator